



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 18, 2011

H.R. 966 **Lawsuit Abuse Reduction Act of 2011**

As ordered reported by the House Committee on the Judiciary on July 7, 2011

H.R. 966 would amend Rule 11 of the Federal Rules of Civil Procedure to require courts to impose appropriate sanctions on attorneys, law firms, or parties who file frivolous lawsuits and to require them to compensate parties injured by such conduct. (Courts currently may, but are not required to, impose such sanctions.)

Under the legislation, any monetary sanction imposed under Rule 11 would be paid by the parties to the suit. Thus, CBO estimates that enacting the legislation would result in no significant cost to the federal government. H.R. 966 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 966 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Martin von Gnechten. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.